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STADIS/////////////////
FOR DEPUTY ASSISTANT SECRETARY FRANK

E.O. 11652: N/A

TAGS: EAID, ECON, UNDP

SUBJECT: REPORT TO CONGRESS: THE QUESTION OF BETTER
COORDINATION OF UN TECHNICAL ASSISTANCE ACTIVITIES BY THE
UNDP

REF: (A) STATE 287862; (B) FALKNER/FRANK TELCON, 12/20/77

1. THERE FOLLOWS THE REVISED TEXT OF THE PROPOSED SECTION
ON TECHNICAL ASSISTANCE FOR THE REPORT TO CONGRESS ON
REORGANIZATION OF THE UN SYSTEM. THIS DRAFT DOES NOT
INCLUDE YOUR SUGGESTED SECTIONS V - SECRETARIAT ACTIVITIES
AND THE COMMITTEE ON PROGRAM COORDINATION, AND VI - IN-
TERNAL U.S. COORDINATION. THESE THEMES WILL BE TREATED IN
OTHER SECTIONS OF THE REPORT.

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2. THE QUESTION OF BETTER COORDINATION OF UN TECHNICAL
ASSISTANCE ACTIVITIES BY THE UN DEVELOPMENT PROGRAM

I. BACKGROUND

THE UNITED NATIONS SYSTEM TODAY IS THE WORLD'S MOST IM-
PORTANT VEHICLE FOR INTERNATIONAL TECHNICAL ASSISTANCE.
THE GROWTH OF THIS ACTIVITY WAS NOT ANTICIPATED BY THE
FOUNDERS OF THE UN. IT EMERGED SLOWLY AND UNEVENLY IN

RESPONSE TO POLITICAL AND ECONOMIC DEVELOPMENTS DURING
THE DECADES OF THE 1950'S AND 1960'S.

ASSISTANCE TO DEVELOPING COUNTRIES BY THE UN SYSTEM
ORIGINALLY TOOK THE FORM OF RELATIVELY SMALL ACTIVITIES
BY THE SPECIALIZED AGENCIES SUBSIDIARY TO THEIR CENTRAL
MANDATE OF PROMOTING INTERNATIONAL SECTORAL COOPERATION
FOR THE BENEFIT OF THE ENTIRE MEMBERSHIP. THESE ACTIVI-
TIES INITIALLY WERE FINANCED FROM ASSESSED BUDGETS. BUT,
AS CALLS INCREASED FOR GREATER EFFORTS BY THE UN IN THE
FIELD OF ECONOMIC AND SOCIAL DEVELOPMENT, THE NEED FOR
NEW SOURCES OF FUNDS AND NEW ORGANIZATIONAL ARRANGEMENTS
BECAME EVIDENT.

WITH THE FOUNDING IN 1949-1950 OF THE UN EXPANDED PROGRAM
OF TECHNICAL ASSISTANCE, PRIMARY RELIANCE WAS PLACED ON
VOLUNTARY CONTRIBUTIONS BY GOVERNMENTS TO SUPPORT THE
INCREASING VOLUME OF TECHNICAL ASSISTANCE AND A CENTRAL
MECHANISM ESTABLISHED TO PROVIDE THE NECESSARY COORDINA-
TION OF THE ACTIVITIES OF THE SPECIALIZED AGENCIES IN
THIS FIELD. THIS DUAL FOUNDATION FOR THE UN DEVELOPMENT
ASSISTANCE PROGRAM -- VOLUNTARY CONTRIBUTIONS COMBINED
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WITH AT LEAST A MODICUM OF CENTRAL DIRECTION AND CONTROL
-- WAS EXTENDED AND STRENGTHENED WITH THE ESTABLISHMENT
OF THE UN SPECIAL FUND IN 1956 AND THE UN DEVELOPMENT
PROGRAM (UNDP) IN 1966 AND REAFFIRMED IN THE CONSENSUS
RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY IN 1970. THIS
ACTION ESTABLISHED THE EXISTING INTEGRATED COUNTRY PRO-
GRAMMING PROCESS AND REAFFIRMED THE DOMINANT ROLE OF THE
UNDP IN THE TECHNICAL ASSISTANCE ACTIVITIES OF THE UN
SYSTEM.

NONETHELESS, DEVELOPMENT ASSISTANCE BY SOME UN AGENCIES
AND THE UN SECRETARIAT CONTINUED TO BE SUPPORTED IN
PART FROM ASSESSED BUDGETS, AND IN THE CASE OF WHO
PRIMARILY FROM THE ASSESSED BUDGET. DURING THE PAST
SEVERAL YEARS THE ISSUE OF TO WHAT EXTENT TECHNICAL
ASSISTANCE SHOULD BE PART OF THE REGULAR, ASSESSED BUDGETS
OF THE SPECIALIZED AGENCIES OR FINANCED BY VOLUNTARY
CONTRIBUTIONS HAS BEEN A SUBJECT OF INTERNATIONAL DEBATE
AND CONCERN.

THE DELAYS AND CANCELLATIONS OF PROJECT DELIVERY CAUSED
BY THE UNDP LIQUIDITY CRISIS OF 1975-76 STIMULATED
PRESSURE FROM DEVELOPING COUNTRIES FOR MORE FUNDING
THROUGH THE ASSESSED BUDGET PROCEDURE. SPECIALIZED
AGENCIES AS DIVERSE AS FAO, WHO AND IAEA HAVE SEEN THIS
ISSUE RAISED FORCEFULLY IN THEIR GOVERNING BODIES,
WHERE DEVELOPING COUNTRIES INCREASINGLY CONTEND THAT

TECHNICAL ASSISTANCE CAN NO LONGER BE TREATED AS AN ANCILLARY FUNCTION. TO AVOID THE VAGARIES AND UNCERTAINTIES OF VOLUNTARY FUNDING, THEY WOULD PREFER TO SEE TECHNICAL ASSISTANCE SUPPORTED MORE THROUGH ASSESSED RATHER THAN VOLUNTARY CONTRIBUTIONS.

U.S. ATTITUDES IN THESE DISCUSSIONS HAVE REFLECTED OUR

DESIRE TO ENSURE COORDINATED UN ASSISTANCE EFFORTS, OUR
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HISTORICAL ROLE IN SHAPING THE UN DEVELOPMENT SYSTEM, AND OUR VIEW THAT DEVELOPMENT ASSISTANCE FUNDING SHOULD REMAIN BASICALLY VOLUNTARY IN CHARACTER.

THE CENTRAL ROLE OF THE UNDP HAS BEEN FURTHER COMPLICATED BY THE GROWING VOLUME OF OTHER EXTRA-BUDGETARY RESOURCES AVAILABLE TO THE SPECIALIZED AGENCIES. THESE FUNDS ARE VOLUNTARY IN NATURE BUT DO NOT FLOW THROUGH THE UNDP. THEY MAY ORIGINATE IN SPECIAL ASSISTANCE ARRANGEMENTS UNDER WHICH MULTILATERAL AGENCIES ARE IMPLEMENTING ESSENTIALLY BILATERAL PROGRAMS USING FUNDS-IN-TRUST MONEYS OR IN DIRECT GOVERNMENT GRANTS TO VARIOUS ACTIVITIES OF THE SPECIALIZED AGENCIES.

IN 1945 A CONSCIOUS DECISION WAS TAKEN TO ESTABLISH THE UNITED NATIONS SYSTEM ON A POLYCENTRIC BASIS. THE SPECIALIZED AGENCIES WERE GIVEN THEIR OWN CONSTITUTIONS AND INDEPENDENT POWERS, THEIR OWN GOVERNING BODIES. THE GENERAL ASSEMBLY AND THE ECONOMIC AND SOCIAL COUNCIL WERE ACCORDED ONLY LIMITED POWERS EVEN IN THE AREA OF COORDINATION. THEIR "DECISIONS" ARE NOT BINDING ON THE SPECIALIZED AGENCIES NOR ON MEMBER GOVERNMENTS; THEY CAN ONLY OFFER RECOMMENDATIONS.

THIS POLYCENTRISM HAS A NUMBER OF ADVANTAGES: IT REDUCES THE NEED FOR AND COST OF CENTRALIZED MANAGEMENT AND CONTROL. IT ENCOURAGES DIVERSITY AND COMPETITION WHICH CAN ENHANCE THE EFFICIENCY OF THE UN ORGANIZATIONS. IT PERMITS THE TECHNICAL EXPERTS IN AREAS SUCH AS FOOD AND AGRICULTURE, HEALTH, LABOR, AND EDUCATION TO PURSUE THEIR WORK, SUBJECT TO GUIDANCE OF GOVERNMENTAL EXPERTS IN THE SAME FIELDS RATHER THAN UNDER THE DIRECTION OF A CENTRAL BUREAUCRACY OFTEN KNOWING LITTLE ABOUT THE SUBSTANTIVE
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ISSUES AND PROBLEMS FACED BY THE SPECIALIZED AGENCIES. IT PROVIDES THE NECESSARY INDEPENDENCE FOR THE INTERNA-

TIONAL DEVELOPMENT LENDING INSTITUTIONS WHICH DEPEND FOR FINANCING ON THEIR ACCESS TO PRIVATE CAPITAL MARKETS.

POLYCENTRISM ALSO CAN HAVE COSTS. INFORMATION IS OFTEN DIFFICULT TO OBTAIN ON A COMPARABLE BASIS ON THE TOTAL EXPENDITURE ON TECHNICAL ASSISTANCE BY THE UN SYSTEM OR

ON THE PRIORITY ACCORDED DIFFERENT ACTIVITIES. THE BUDGETING AND PROGRAMMING PROCESS IS DIFFERENT AMONG VARIOUS SPECIALIZED AGENCIES AND BETWEEN ASSESSED AND VOLUNTARY BUDGETS. THERE IS A LACK OF COMPARABLE BUDGET PROCEDURES AND DEFINITIONS WHICH HAMPER INFORMED DECISION-MAKING BY GOVERNMENTS AND UN ADMINISTRATORS.

ANOTHER COMPLICATING ASPECT OF POLYCENTRISM IS THE TENDENCY TOWARD PROLIFERATION OF FUNDS. SPECIFIC FUNDS FOR SPECIFIC PURPOSES ENABLE GOVERNMENTS TO DETERMINE MORE PRECISELY THE USES OF MONIES THEY MAY BE PREPARED TO GIVE. SO MANY FUNDS HAVE BEEN ESTABLISHED IN THE UN SYSTEM, HOWEVER, THAT SOME CONSOLIDATION CLEARLY WOULD SIMPLIFY ADMINISTRATION, REDUCE CONFUSION AND ELIMINATE POSSIBLE DUPLICATION.

A SERIOUS PROBLEM RESULTING FROM POLYCENTRISM OF THE UN SYSTEM IS THE DIFFICULTY IT PRESENTS TO MEMBER GOVERNMENTS FOR BUDGET MANAGEMENT. EACH SPECIALIZED AGENCY HAS ITS OWN CONSTITUTIONAL MANDATE AND EACH GOVERNING BODY SEPARATELY DECIDES CONCERNING BUDGET ASSESSMENTS. AND IN THE UNITED STATES AND EVEN MORE SO IN OTHER COUNTRIES DIFFERENT DOMESTIC AGENCIES HAVE A LEADING ROLE WITH RESPECT TO DIFFERENT SPECIALIZED AGENCIES. THE CONSTITUTIONS OF MOST SPECIALIZED AGENCIES WERE WRITTEN BEFORE 1950 WHEN THE DOCTRINE OF VOLUNTARY FINANCING BECAME THE BASIS OF THE EXPANDED PROGRAM OF TECHNICAL LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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ASSISTANCE. IN THE CASE OF FOUR SPECIALIZED AGENCIES -- WHO, FAO, ICAO, AND WIPO -- THE US HAS RATIFIED CONSTITUTIONS WHICH CLEARLY PROVIDE THAT TECHNICAL ASSISTANCE ACTIVITIES SHALL BE FINANCED FROM THE ASSESSED BUDGET. IN CONTRAST, THE IMCO CHARTER OF 1959 IS THE ONLY SPECIALIZED AGENCY CONSTITUTION WHICH EXPLICITLY STATES THAT TECHNICAL COOPERATION ACTIVITIES SHALL BE "FUNDED BY OTHER THAN ASSESSED BUDGET FUNDS." THE ORGANIC STATUTES OF OTHER SPECIALIZED AGENCIES HAVE LESS SPECIFIC LANGUAGE WHICH MAY BE CONSTRUED TO AUTHORIZE WHAT HAS SUBSEQUENT TO THEIR DRAFTING BEEN DEFINED AS TECHNICAL ASSISTANCE OR OPERATIONAL ACTIVITIES.

FUNDING OF TECHNICAL ASSISTANCE THROUGH ASSESSMENT PROVIDES SOME COLLECTIVE RESPONSIBILITY BY THE MEMBERSHIP

OF THE UN AND ITS SPECIALIZED AGENCIES FOR FINANCING PROGRAMS IN THIS FIELD. THE US ITSELF IN SOME INSTANCES HAS INTRODUCED BURDEN-SHARING INTO VOLUNTARY CONTRIBUTIONS THROUGH THE DEVICE OF MAKING ITS VOLUNTARY CONTRIBUTIONS CONTINGENT UPON MATCHING BY OTHER CONTRIBUTORS. THERE ALSO HAVE BEEN INSTANCES, SUCH AS IN THE IAEA IN THE

MIDDLE NINETEEN SIXTIES, IN WHICH WE HAVE PROMOTED FUNDING OF TECHNICAL ASSISTANCE THROUGH ASSESSED BUDGETS. IN THE VIEW OF MANY DEVELOPING COUNTRIES, ESPECIALLY SINCE THE UNDP LIQUIDITY CRISIS, ASSESSMENTS ARE MORE DEPENDABLE AND AFFORD A BETTER OPPORTUNITY FOR LONG-TERM PLANNING OF TECHNICAL ASSISTANCE PROGRAMS. ASSESSED CONTRIBUTIONS PAID DIRECTLY TO SPECIALIZED AGENCIES ARE ALSO SEEN AS AVOIDING THE EXTRA BUREAUCRATIC STEP INVOLVED WHEN THE UNDP USES THE SPECIALIZED AGENCIES AS EXECUTING AGENTS.

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USE OF ASSESSED BUDGETS FOR DEVELOPMENT ASSISTANCE PROGRAMS ALSO POSES PROBLEMS. IT INEVITABLY RAISES QUESTIONS WHETHER THERE IS AN EFFECTIVE UPPER LIMIT ON THE SIZE OF THE PROGRAMS OTHER THAN THROUGH DONOR REFUSAL TO PAY OR WITHDRAWAL, WHERE THE MAJOR CONTRIBUTORS CANNOT EXERCISE EFFECTIVE BUDGETARY CONTROL THROUGH VOTING PROCEDURES.

A COMPLICATING FACTOR IS THE DIFFERENCE IN THE SCHEDULING OF ASSESSED AND VOLUNTARY CONTRIBUTIONS. ASSESSED BUDGETS ARE FORMULATED A NUMBER OF YEARS IN ADVANCE AND ADOPTED BY THE UN GENERAL ASSEMBLY OR THE GENERAL CONFERENCES OF THE SPECIALIZED AGENCIES ON A BIENNIAL BASIS. THE PROCESS OF BUILDING A CONSENSUS ON A BUDGET BEGINS USUALLY TWO TO THREE YEARS IN ADVANCE. UPON ADOPTION, THERE IS LITTLE FLEXIBILITY AND BUDGETS BECOME LEGAL TREATY OBLIGATIONS. VOLUNTARY BUDGETS ARE USUALLY ADOPTED ON AN ANNUAL BASIS WITH NO LONG-TERM COMMITMENT TO SUSTAIN ANY PARTICULAR LEVEL OF FUNDING. IT IS DIFFICULT TO DECIDE UPON APPROPRIATE LEVELS FOR ASSESSED BUDGETS WITHOUT KNOWLEDGE OF VOLUNTARY RESOURCES TO BECOME AVAILABLE. IT IS DIFFICULT TO MAKE TRADE-OFFS BETWEEN THE TWO TYPES OF FINANCING, E.G. OFFERING TO INCREASE VOLUNTARY CONTRIBUTIONS IN RETURN FOR RESTRAINT ON ASSESSED BUDGET GROWTH. IF IT WERE POSSIBLE TO MAKE LONGER TERM COMMITMENTS FOR VOLUNTARY AND ASSESSED CONTRIBUTIONS, THEN THIS TRADE-OFF PROBLEM WOULD BE GREATLY MITIGATED.

II. BASIC APPROACH

THE PROBLEM OF BETTER COORDINATION OF UN TECHNICAL

ASSISTANCE ACTIVITIES CAN BE APPROACHED IN FOUR DIFFERENT
WAYS:

- -- THROUGH A MORE PRECISE DEFINITION OF UNDP
STRENGTHS AND BUILDING ON THOSE STRENGTHS SO THAT IT
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BECOMES A MORE EFFECTIVE INSTITUTION FOR STIMULATING A
COHERENT APPROACH TO TECHNICAL ASSISTANCE ACTIVITIES.

- -- BY DEVELOPING A SET OF CRITERIA FOR DETERMINING
THE APPROPRIATE MIX OF UNDP FINANCING, DIRECT VOLUNTARY
FINANCING AND ASSESSED BUDGET FINANCING OF TECHNICAL
ASSISTANCE ACTIVITIES;
- -- BY URGING THE UN SECRETARIAT AND UNDP TO WORK
TOGETHER WITH THE COMMITTEE ON PROGRAM COORDINATION OF
ECOSOC IN ORDER TO DEVELOP BETTER AND STANDARDIZED PRO-
GRAM, BUDGETING, PLANNING, PERSONNEL, AND ADMINISTRATIVE
PROCEDURES; TO PROVIDE MORE AND BETTER DATA ON OPERA-
TIONAL ACTIVITIES ON A SYSTEM-WIDE BASIS; AND
- -- FROM THE INSTITUTION OF BETTER PROCEDURES IN OUR
OWN GOVERNMENT FOR COORDINATING U.S. POLICIES WITH RESPECT
TO THE INDIVIDUAL SPECIALIZED AGENCIES.

III. THE UNDP

THE CENTRAL AND KEY INSTRUMENT FOR UN TECHNICAL ASSISTANCE
IS THE UNITED NATIONS DEVELOPMENT PROGRAM. IT HAS SEVERAL
STRENGTHS WHICH MAKE IT AN ESSENTIAL AND LARGE PART OF
OUR APPROACH TO TECHNICAL ASSISTANCE IN THE UN.

FIRST, THE UNDP IS THE ONLY UN AGENCY WHICH HAS A COM-
PREHENSIVE SYSTEM OF FIELD REPRESENTATIVES. THE
UNDP RESIDENT REPRESENTATIVE IS THE LEADING UN PERSON
IN NEARLY EVERY DEVELOPING COUNTRY. THE REPRESENTATIVE
PERFORMS MANY DIFFERENT FIELD FUNCTIONS ON BEHALF OF
NEARLY ALL THE UN SPECIALIZED AGENCIES AND THE UN
SECRETARIAT. BILATERAL AID AGENCIES LOOK INCREASINGLY
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TO THE UNDP RESIDENT REPRESENTATIVES FOR HELP AND
GUIDANCE, ESPECIALLY IN COUNTRIES WHERE PARTICULAR
BILATERAL PROGRAMS ARE TOO SMALL TO JUSTIFY AN INDEPENDENT
FIELD PRESENCE.

SECOND, UNDP IS THE ONLY TECHNICAL ASSISTANCE AGENCY THAT

CAN EASILY DRAW UPON THE SPECIAL TALENTS OF SEVERAL OF THE SPECIALIZED AGENCIES AND UN ORGANS AND PROGRAMS TO PROVIDE A COORDINATED, MULTIDISCIPLINARY APPROACH TO DEVELOPMENT PROBLEMS AND ISSUES. THE UNDP CAN STRESS A NUMBER OF DIFFERENT THEMES AND PROBLEM ORIENTATIONS IN ITS WORK SUCH AS WOMEN IN DEVELOPMENT.

THIRD, UNDP CAN ALSO BE AN INNOVATIVE CATALYST IN APPROACHING NEW PROBLEMS AND NEW ISSUES SUCH AS ENERGY AND NATURAL RESOURCE DEVELOPMENT WHERE APPROPRIATE SPECIALIZED AGENCIES DO NOT EXIST. IT CAN PROVIDE HELP IN PLANNING TECHNICAL ASSISTANCE TO NEWLY EMERGING

COUNTRIES THAT NEED SPECIAL HELP SUCH AS A FUTURE INDEPENDENT NAMIBIA OR ZIMBABWE.

FOURTH, THE UNDP RESIDENT REPRESENTATIVES PARTICIPATE WITH THE RECIPIENT COUNTRY AUTHORITIES IN FORMULATION OF THE "COUNTRY PROGRAM" WHICH PROVIDES THE OPERATIONAL FRAMEWORK WITHIN WHICH DECISIONS CAN BE MADE ON SECTORAL PRIORITIES. THE RESIDENT REPRESENTATIVES CAN

PROVIDE AN ESSENTIAL COORDINATING POINT AMONG THE PROJECTS UNDERTAKEN WITHIN THE HOST COUNTRY BY UN AGENCIES. IN MANY INSTANCES, THE REPRESENTATIVES ALSO PROVIDE AN ESSENTIAL INFORMATION EXCHANGE WHICH ENHANCES THE COMPLEMENTARITY OF ACTIVITIES UNDERTAKEN BY THE UN SYSTEM, THE HOST COUNTRY ITSELF, BILATERAL AND NON-GOVERNMENTAL INSTITUTIONS.

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- FIFTH, BY SETTING STANDARDS FOR PROJECT PREPARATION, IMPLEMENTATION AND, INCREASINGLY, FOR PROJECT EVALUATION, THE UNDP HELPS TO BRING ORDER AND INCREASED EFFICIENCY TO THE MULTITUDE OF UN PROJECTS. INCREASED STANDARDIZATION WILL IMPROVE DONOR COUNTRY CAPABILITY TO ASSESS UN DEVELOPMENT ACTIVITIES. THIS ESSENTIAL ACTIVITY, WHICH TAKES PLACE IN UNDP HEADQUARTERS IS RESPONSIBLE FOR ONLY A TINY FRACTION OF TOTAL UNDP COSTS.

- SIXTH, THE RESIDENT REPRESENTATIVE PROVIDES SIGNIFICANT ECONOMIES OF OPERATION AND BETTER EFFICIENCY DERIVED FROM ONE, AS OPPOSED TO SEVERAL RESIDENT REPRESENTATIVES, WITH FULL SUPPORT STAFFS, IN A SINGLE COUNTRY.

- FINALLY, THE UNDP PLAYS THE VITAL ROLE OF PROVIDING THE TECHNICAL ASSISTANCE REQUIRED TO COMPLEMENT THE CAPITAL ASSISTANCE ACTIVITIES OF THE WORLD BANK, REGIONAL DEVELOPMENT BANKS, AND BILATERAL AID AGENCIES, AND INVESTMENT ACTIVITIES OF THE PRIVATE SECTOR. WITHOUT THE

PROPER EFFORTS AT APPRAISING, MONITORING, IMPLEMENTING AND EVALUATING PROJECTS AT THE COUNTRY LEVEL, CAPITAL ASSISTANCE IS WASTED AND PRIVATE INVESTORS SAY AWAY. THE TECHNICAL ASSISTANCE SERVICES OF THE UNDP ARE INDISPENSIBLE TO THE CAPITAL ASSISTANCE AGENCIES. THEY BECOME INCREASINGLY ESSENTIAL AS BILATERAL AND MULTILATERAL ASSISTANCE PROGRAMS MOVE IN THE DIRECTION OF BASIC HUMAN NEEDS PROJECTS, WHICH TEND TO BE SMALL SCALE AND OFTEN REQUIRE LARGE AMOUNTS OF SKILLED MANPOWERS AND TECHNICIANS.

- BUT NO MATTER HOW EFFECTIVE UNDP MAY BE IN PROVIDING DIRECTION TO THE UN SYSTEM, IT WOULD BE DIFFICULT TO JUSTIFY, MUCH LESS TO INSIST UPON, ALL MULTILATERAL ASSISTANCE BEING FUNNELLED THROUGH IT.

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IV. FINANCING MIX

- GIVEN THE HISTORY OF THE EVOLUTION OF THE UN SYSTEM, THE CONSTITUTIONAL MANDATES OF THE SPECIALIZED AGENCIES, THE ADVANTAGES OF POLYCENTRISM, AND THE ATTITUDES OF THE DEVELOPING COUNTRIES, IT IS NOT FEASIBLE NOR DESIRABLE TO

ATTEMPT TO USE UNDP AS THE SOLE SOURCE OF DEVELOPMENT ASSISTANCE WITHIN THE SYSTEM.

- A SINGLE FOCUS IN UNDP FOR ALL TECHNICAL ASSISTANCE WOULD LIMIT FLEXIBILITY TO SEEK THE MOST EFFECTIVE VEHICLE FOR PROGRAM DELIVERY. FLEXIBILITY MIGHT ALSO BE LIMITED BY UNIVERSAL APPLICATION OF THE SYSTEM OF INDICATIVE PLANNING FIGURES - THE UNDP TECHNIQUE FOR COUNTRY ALLOCATION OF RESOURCES. PRIORITIES FOR USE OF THESE RESOURCES ARE DETERMINED ESSENTIALLY BY THE RECIPIENT GOVERNMENT AND SOMETIMES MAY DIFFER FROM THOSE OF SPECIFIC DONOR COUNTRIES. DIRECT CONTRIBUTIONS TO SPECIALIZED AGENCIES PERMITS CONTRIBUTING COUNTRIES TO FOCUS THEIR SUPPORT ON GIVEN SECTORS OF THE ECONOMY AND ON PROJECTS OF HIGH PRIORITY.

- THE MOST EFFECTIVE APPROACH TO THE DUAL ISSUES OF HOW UN TECHNICAL ASSISTANCE ACTIVITIES SHOULD BE FINANCED AND MANAGED LIES BETWEEN THE EXTREMES OF INSISTING THAT ALL TECHNICAL ASSISTANCE PROGRAMS BE FUNDED BY VOLUNTARY CONTRIBUTIONS, CENTRALLY COORDINATED AND PROGRAMMED BY THE UNDP, AND SUPPORTING TECHNICAL ASSISTANCE BY ASSESSED CONTRIBUTIONS OR VOLUNTARY CONTRIBUTIONS TO THE SPECIALIZED AGENCIES.

- IT IS ESSENTIAL THAT UNDP BE GIVEN THE KIND OF SUPPORT THAT IS REQUIRED FOR THEM TO MAINTAIN A STRONG SYSTEM OF RESIDENT REPRESENTATIVES. THESE REPRESENTATIVES MUST BE ENDOWED WITH ENOUGH RESOURCES TO GIVE THEM AUTHORITY AND

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TO GIVE ENOUGH INCENTIVE TO THE SPECIALIZED AGENCIES TO COOPERATE WITH THE RESIDENT REPRESENTATIVES. THE VITAL HEADQUARTERS ACTIVITIES OF SETTING STANDARDS FOR PROJECT APPRAISAL, MONITORING, AND EVALUATION MUST BE SUPPORTED. THE UNDP MUST HAVE ENOUGH RESOURCES TO PROVIDE A CO-ORDINATED ATTACK ON SPECIFIC, WELL-DEFINED PROBLEMS THAT REQUIRE THE SERVICES OF SEVERAL SPECIALIZED AGENCIES. THIS POLICY, HOWEVER, WOULD SIMULTANEOUSLY PERMIT THE DIRECT FINANCING, EITHER THROUGH ASSESSMENT OR VOLUNTARY CONTRIBUTIONS, OF CERTAIN TECHNICAL ASSISTANCE ACTIVITIES THROUGH THE SPECIALIZED AGENCIES IN ACCORDANCE WITH THEIR CONSTITUTIONAL MANDATES AND UNIQUE CAPABILITIES.

- THUS, PARTICULAR AGENCIES MIGHT BE CHARGED WITH UNDERTAKING SPECIFIC HIGH-PRIORITY TYPES OF PROGRAMS FOR WHICH THEY HAVE UNIQUE EXPERTISE AND FOR WHICH PROVISION CANNOT EASILY BE MADE IN THE UNDP COUNTRY PROGRAMMING PROCESS. CERTAIN ASSISTANCE PROGRAMS OF A HIGHLY TECHNICAL NATURE, SUCH AS THOSE CARRIED ON THROUGH THE IAEA, WOULD NOT BE MADE THE RESPONSIBILITY OF THE UNDP.

- THE DEGREE TO WHICH TECHNICAL ASSISTANCE PROGRAMS WOULD AT ANY GIVEN TIME BE CARRIED ON THROUGH THE UNDP WOULD VARY DEPENDING ON THE NATURE OF THE PROGRAMS TO BE UNDERTAKEN AND THE RELATIVE EFFICIENCY AND EFFECTIVENESS WITH WHICH THE UNDP AND THE SPECIALIZED AGENCIES MIGHT BE EXPECTED TO CARRY THEM OUT. THE EXERCISE OF THE NECESSARY JUDGMENTS WILL REQUIRE CLOSE ATTENTION TO PROGRAM DEVELOPMENT AND EVALUATION AND MONITORING OF ACTIVITIES BY THE RESPONSIBLE US OFFICIALS.

- THE PROPER ROLE OF UNDP SHOULD NOT BE TO DUPLICATE THE ACTIVITIES THAT ARE BEST PERFORMED BY THE SPECIALIZED
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AGENCIES. THE UNDP HAS TO BUILD ON ITS STRENGTHS--THE SYSTEM OF RESIDENT REPRESENTATIVES AND ITS SETTING OF STANDARDS FOR PROJECT APPRAISAL, MONITORING AND EVALUATION. THE UNDP SHOULD PROVIDE A CHECK AND A BALANCE AGAINST POSSIBLE EXCESSES OF THE SPECIALIZED AGENCIES--A QUALITY CONTROL DEVICE THAT CAN IMPROVE THE PERFORMANCE OF ALL TECHNICAL ASSISTANCE ACTIVITIES OF THE UN SYSTEM. BUT THE UNDP CANNOT GET ITSELF INTO THE BUSINESS OF ROUTINELY APPROVING AND PASSING JUDGMENT ON EVERY PROJECT IMPLEMENTED BY THE SPECIALIZED AGENCIES. NOR SHOULD THE UNDP TRY COMPETING WITH THE SPECIALIZED AGENCIES FOR PROJECTS.

- THIS IS WHY THE UNITED STATES IS OPPOSED TO ANY FURTHER EXTENSION OF THE SELF-EXECUTION OF PROJECTS BY THE UNDP.
- A SEPARATE ISSUE IS WHETHER PROJECTS DONE BY THE SPECIALIZED AGENCIES WITHOUT THE BENEFIT OF UNDP INTER-MEDIATION SHOULD BE FINANCED THROUGH ASSESSED BUDGETS OR THROUGH VOLUNTARY FUNDS CONTRIBUTED DIRECTLY TO THE SPECIALIZED AGENCIES. IN THIS REGARD, CERTAIN CRITERIA SHOULD BE APPLIED:
- --DESPITE THE ADVANTAGES OF AUTOMATIC BURDEN-SHARING OF ASSESSED CONTRIBUTIONS, THE UNITED STATES GENERALLY PREFERS VOLUNTARY FINANCING OF TECHNICAL ASSISTANCE ACTIVITIES BECAUSE OF OUR LACK OF CONTROL OVER ASSESSED BUDGETS.
- --IN CERTAIN INSTANCES THE UNITED STATES APPROVES OF ASSESSED BUDGET FINANCING OF TECHNICAL ASSISTANCE ACTIVITIES. THESE ACTIVITIES, ALTHOUGH DIRECTED AT THE RECIPIENT COUNTRY, HAVE MUCH BROADER IMPLICATIONS FOR PROBLEMS OF CONCERN TO US. EXAMPLES MIGHT INCLUDE IMMUNIZATION PROGRAMS OF THE WHO, AIRPORT SECURITY IN DEVELOPING COUNTRIES AS IS DONE BY ICAO, AND TECHNICAL ASSISTANCE ACTIVITIES OF THE IAEA. THEY ALSO INCLUDE LIMITED OFFICIAL USE
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ACTIVITIES WHICH ARE OF A SHORT-TERM, GAP-FILLING, OR EMERGENCY NATURE FOR WHICH VOLUNTARY FUNDING WOULD BE INAPPROPRIATE.

V. BETTER COORDINATION

AS NOTED ABOVE, THE U.S. ALSO CAN URGE GREATER COOPERATION AMONG THE UN SECRETARIAT, THE UNDP AND THE ECOSOC COMMITTEE ON PROGRAM COORDINATION TO IMPROVE BOTH THE ADMINISTRATION AND CONTENT OF TECHNICAL ASSISTANCE BY THE UN FAMILY. IMPROVED COORDINATION OF U.S. POLICIES WITH RESPECT TO INDIVIDUAL SPECIALIZED AGENCIES IS DISCUSSED IN THE NEXT MAJOR SECTION OF THE REPORT.

VI. CONCLUSION (PRECEDING TEXT PROVIDES

A THOROUGH REVIEW OF VARIOUS CONSIDERATIONS PERTINENT TO A BALANCED U.S. POLICY TOWARD FUNDING OF THE TECHNICAL ASSISTANCE ACTIVITIES BY THE UN DEVELOPMENT SYSTEM. WE WOULD APPRECIATE YOUR SUGGESTIONS WHICH WILL TIE TOGETHER THESE STRANDS INTO A SUCCINCT STATEMENT OF U.S. POLICY. WE UNDERSTAND FROM JAMES BOND ON SENATOR SCHWEIKER'S STAFF THAT A CLEAR STATEMENT OF POLICY IS KEY TO MEETING CONGRESSIONAL DESIRES IN THIS MATTER. WE THINK A STATE-

MENT WOULD POSIT A GENERAL POLICY OF FUNDING TECHNICAL ASSISTANCE THROUGH THE UNDP, BUT SUPPORTING DIRECT FINANCING TO THE SPECIALIZED AGENCIES WHEN, ON A CASE BY CASE BASIS, WE ARE PERSUADED OF THE ADVANTAGE OF DOING SO OUTSIDE THE MECHANISM OF THE UNDP. IT ALSO WOULD OPPOSE FURTHER UNCONTROLLED PROLIFERATION OF PROGRAMS, WOULD RECOGNIZE THE CONSTITUTIONAL MANDATES OF SOME AGENCIES WHICH WE CANNOT DISREGARD, AND WOULD CONTAIN A COMMITMENT LIMITED OFFICIAL USE
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TO CONSTRAIN TECHNICAL ASSISTANCE PROGRAMS FROM ASSESSED BUDGETS.)

3. IMPROVING UNITED STATES PARTICIPATION IN THE WORK OF ORGANIZATIONS AND PROGRAMS OF THE UNITED NATIONS SYSTEM

- (IO IS DRAFTING LANGUAGE FOR DEALING WITH THIS MORE BROAD SUBJECT TO INCLUDE TECHNICAL ASSISTANCE ACTIVITIES IN THE UN FAMILY.) VANCE

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Locator: TEXT ON-LINE, TEXT ON MICROFILM
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